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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

July 7, 2015

Samuel C. Paoletti
CML Metals Corp.
912 West 1600 South, Suite B104
St. George, Utah 84770

Subject: Initial Review of Amended Notice of Intention to Commence Large Mining Operations, CML Metals Corporation, Iron Mountain Mine, M/021/0008, Iron County, Utah

Dear Mr. Paoletti:

The Division of Oil, Gas and Mining has completed a review of the referenced Notice of Intention to Commence Large Mining Operations (Notice) which was received February 11, 2015. The attached comments will need to be addressed before tentative approval may be granted.

The comments are listed under the applicable Minerals Rule heading; please format your response in a similar fashion. Please address only those items requested in the attached technical review by sending replacement pages with redline and strikeout text. After the Notice is determined technically complete, the Division will request two final copies of the notice. Upon final approval, both will be stamped approved, and one will be returned for your records.

The Division has the following general comments:

- The submittal should be formatted to easily incorporate additional revisions and amendments.
- The Division may have additional comments based on the review responses.

The Division will suspend further review until receiving a response to this review. Please contact the appropriate reviewer if you have questions about the comments: Lynn Kunzler (lk) at 801-538-5310, April Abate (aa) at 801-538-5214 or Wayne Western (whw) at 801-538-5263. Thank you for your cooperation in completing this permitting action.

Sincerely,

Paul B. Baker
Minerals Program Manager

PBB: lk: eb
Attachment: Review
cc: Steve Gilbert, Gilbert Development (SLG@INFOWEST.COM)
p:\groups\minerals\wp\m021-iron\m0210008-ironmntn\final\rev-6475-03022015.docx



**INITIAL REVIEW OF AMENDED NOTICE OF INTENTION
TO COMMENCE LARGE MINING OPERATIONS
CML Metals Corporation
Iron Mountain Mine
M/021/0008
June 29, 2015**

General Comments:

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
1		(No response required.) The Division has been told that CML Metals Corporation has been acquired by Gilbert Development, but because the Division has yet to receive a transfer application, this review is addressed to the operator on record in the Division's files. Prior to approving a transfer application, the Division will need to receive a transfer application, replacement surety, and a new reclamation contract.	lk	
2	Omission	Springs and seeps identified in the JBR Spring and Seep report should be included on the appropriate map in the Notice.	aa	

R647-4-105 - Maps, Drawings & Photographs

General Map Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
3	Omission	Please provide a map showing the pipeline and pipeline access road.	lk	

R647-4-106 - Operation Plan

General Operation Comments

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
4	Omission	<p>The following items need to be included in the Notice:</p> <ol style="list-style-type: none"> 1. A description of the pipeline from the current processing area to the proposed tailings disposal area, including the type and size of the pipeline, and whether it is on the surface or buried. The pipeline needs to be shown on appropriate maps, and, even though the pipeline will be located within the railroad right-of-way, plans for, and the cost of, removal need to be provided in the Notice and reclamation cost estimate. 2. For the Division to not require reclamation of the road the Notice needs to include a copy of the letter from the railroad which requests the pipeline access road. 	lk	

R647-4-109 - Impact Assessment

109.1 – Projected impacts to surface & groundwater systems

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
5	Omission	JBR Environmental Consultants prepared a spring and seep report for the company in May 2014. This was after the permit was initially approved in January 2012. This report identified 4 springs and seeps. One spring appears to be located within the Rex ore body and would likely be affected by mining. Other springs identified in the JBR report were in the surrounding vicinity, and it was unclear whether they would be affected by mining. Please conduct an impact assessment as per rule R647-4-109.2 .	aa	

109.5 - Actions to mitigate any impacts

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
6	Omission	If it is determined that springs are to be affected by mining, please provide a mitigation plan as per rule R647-4-109.5.	aa	

R647-4-112 - Variance

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
7	Omission	The Notice needs to include a variance request for leaving the pipeline access road. The letter from the railroad previously mentioned would be considered for justification to leave the road un-reclaimed.	lk	

R647-4-113 – Surety

Comment #	Sheet/Page/Map/Table #	Comments	Initials	Review Action
8	Structures	Please include Means numbers or other references in the worksheets.	whw	
9	Structures	Please either include justification for using square feet instead of cubic feet or use cubic feet or cubic yards for cost estimates.	whw	
10	Summary Sheet	The escalation factor for 2015 is 1.2% instead of 1.9%.	whw	